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are eligible to receive under the regular FSP and no mixed-TANF household can have benefits reduced by 25 percent or more of the amount it is eligible to receive under the regular FSP. Reductions of \$10 or less will be disregarded when applying this requirement.

(2) The State must include in its State SFSP plan an analysis showing the impact its program has on benefit levels for mixed-TANF households by comparing the allotment amount such households would receive using the rules and procedures of the State's SFSP with the allotment amount these households would receive if certified under regular Food Stamp Program rules and showing the number of households whose allotment amount would be reduced by 9.99 percent or less, by 10 to 24.99 percent, and by 25 percent or more, excluding those households with reductions of \$10 or less. In order for FNS to accurately evaluate the program's impact, States must describe in detail the methodology used as the basis for this analysis.

(3) To ensure compliance with the benefit reduction requirement once an SFSP is operational, States must describe in their plan and have approved by FNS a methodology for measuring benefit reductions for mixed-TANF households on an on-going basis throughout the duration of the SFSP. In addition, States must report to FNS on a periodic basis the amount of benefit loss experienced by mixed-TANF households participating in the State's SFSP. The frequency of such reports will be determined by FNS taking into consideration such factors as the number of mixed-TANF households participating in the SFSP and the amount of benefit loss attributed to these households through initial or on-going analyses.

(c) *Application processing standards.* Under statutory requirements, a household is not eligible to participate in an SFSP unless it is receiving TANF assistance. If a household is not receiving TANF assistance (payments have not been authorized) at the time of its application for the SFSP, the State agency must process the application using the regular Food Stamp Program requirements of § 273.2, including proc-

essing within the 30-day regular or 7-day expedited time frame, and screening for and provision of expedited service if eligible. The State agency must determine under regular food stamp rules the eligibility and benefits of any household that it has found ineligible for TANF assistance because of time limits, more restrictive resource standards, or other rules that do not apply to food stamps.

(d) *Standards for shelter costs.* Legislation governing the SFSP requires that State plans must address the needs of households with high shelter costs relative to their income. If a State chooses to standardize shelter costs under the SFSP, it must, therefore, use multiple standards that take into consideration households with high shelter costs versus those with low shelter costs. A State is prohibited from using a single standard based on average shelter costs for all households participating in an SFSP.

(e) *Opportunity for public comment.* States must provide an opportunity for public input on proposed SFSP plans (with special attention to changes in benefit amounts that are necessary in order to ensure that the overall proposal not increase Federal costs) through a public comment period, public hearings, or meetings with groups representing participants' interests. Final approval will be given after the State informs the Department about the comments received from the public. After the public comment period, the State agency must inform the Department about the comments received from the public and submit its final SFSP plan for Departmental approval.

[Amdt. 388, 65 FR 70211, Nov. 21, 2000]

Subpart H—The Transitional Benefits Alternative

SOURCE: 75 FR 4953, Jan. 29, 2010, unless otherwise noted.

§ 273.26 General eligibility guidelines.

The State agency may elect to provide households leaving TANF with transitional food stamp benefits as provided in this section. A State agency that chooses to provide transitional benefits must state in its State plan of

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operation that it has selected this option and specify the categories of households eligible for such benefits, the maximum number of months for which transitional benefits will be provided and any other items required to be included under this subpart H. The State agency may choose to limit transitional benefits to households in which all members had been receiving TANF, or it may provide such benefits to any household in which at least one member had been receiving TANF.

The State agency may not provide transitional benefits to a household which is leaving TANF when:

(a) The household is leaving TANF due to a TANF sanction;

(b) The household is a member of a category of households designated by the State agency as ineligible for transitional benefits;

(c) All household members are ineligible to receive food stamps because they are:

(1) Disqualified for intentional program violation in accordance with § 273.16;

(2) Ineligible for failure to comply with a work requirement in accordance with § 273.7;

(3) Receiving SSI in a cash-out State in accordance with § 273.20;

(4) Ineligible students in accordance with § 273.5;

(5) Ineligible aliens in accordance with § 273.4;

(6) Disqualified for failing to provide information necessary for making a determination of eligibility or for completing any subsequent review of its eligibility in accordance with § 273.2(d) and § 273.21(m)(1)(ii);

(7) Disqualified for knowingly transferring resources for the purpose of qualifying or attempting to qualify for the program as provided at § 273.8(h);

(8) Disqualified for receipt of multiple food stamps;

(9) Disqualified for being a fleeing felon in accordance with § 273.11(n); or

(10) Able-bodied adults without dependents who fail to comply with the requirements of § 273.24;

(d) The State agency has the option to exclude households where all household members are ineligible to receive food stamps because they are:

(1) Disqualified for failure to perform an action under Federal, State or local law relating to a means-tested public assistance program in accordance with § 273.11(k);

(2) Ineligible for failing to cooperate with child support agencies in accordance with § 273.11(o) and (p); or

(3) Ineligible for being delinquent in court-ordered child support in accordance with § 273.11(q).

(e) The State agency must use procedures at § 273.12(f)(3) to determine the continued eligibility and benefit level of households denied transitional benefits under this section 273.26.

§ 273.27 General administrative guidelines.

(a) When a household leaves TANF, the State agency may freeze for up to 5 months the household's benefit amount after making an adjustment for the loss of TANF. This is the household's transitional period. To provide the full transitional period, the State agency may extend the certification period for up to 5 months and may extend the household's certification period beyond the maximum periods specified in § 273.10(f). Before initiating the transitional period, the State agency must recalculate the household's food stamp benefit amount by removing the TANF payment from the household's food stamp income. At its option, the State agency may also adjust the benefit to account for:

(1) Changes in household circumstances that it learns about from another State or Federal means-tested assistance program in which the household participates; or

(2) Automatic annual changes in the food stamp benefit rules, such as the annual cost of living adjustment.

(b) The State agency must include in its State plan of operation whether it has elected to make these changes:

(1) At the beginning of the transitional period; or

(2) Both at the beginning and during the transitional period.

(c) When a household leaves TANF, the State agency at its option may end the household's existing certification period and assign the household a new certification period that conforms to